

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 H-01 INR-07 L-03 NSAE-00
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 TRSE-00
OMB-01 /064 W
-----160851Z 054310 /11

R 151812Z MAR 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 0566
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL OPORTO
AMEMBASSY PARIS
AMCONSUL PONTA DELGADA
USMISSION NATO
DIA WASHDC
USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 2069

E.O. 11652: XGDS-2
TAGS: PINT PO
SUBJECT: PCP STRATEGY: AN ASSESSMENT

REF: (A) LISBON 1416 (DTG 181907Z FEB 77) (NOTAL),
(B) LISBON 1751 (DTG 041802Z MAR 77), (C) LISBON 1952
(DTG 111238Z MAR 77)

SUMMARY: PRESIDENT EANES AND OTHERS HAVE WARNED OF A BUILDING
COMMUNIST OFFENSIVE. WHILE THERE ARE CLEAR SIGNS THE PCP IS
HARDENING ITS APPROACH THERE IS ALSO SOMETHING OF A VISCERAL
REACTION AND A SUGGESTION OF PREVENTIVE ALARMISM IN THE
RESPONSE OF THE DEMOCRATIC FORCES TO STEPPED UP COMMUNIST
PRESSURES. A SCORCHED EARTH STRATEGY WOULD PUSH THE DEMO-
CRATIC PARTIES CLOSER TOGETHER, FURTHER ISOLATING THE
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COMMUNISTS. MOREOVER THERE IS NO ASSURANCE THAT AN AUTHORI-
TARIAN GOVERNMENT WOULD ENSUE. BUT CUNHAL HAS MISCALCULATED
BOTH HIS STRENGTH AND HIS STRATEGY BEFORE. AND UNDER
GROWING PRESSURE FROM THE ULTRA LEFT HE COULD DO SO AGAIN.
END SUMMARY.

1. A RESURGENT PCP: PRESIDENT EANES, PRIME MINISTER SOARES,

PSD LEADER SA CARNEIRO, AND CDS PRESIDENT FREITAS DO AMARAL HAVE RECENTLY WARNED THE AMBASSADOR OF A BUILDING COMMUNIST OFFENSIVE (REFTELS). ALL FOUR DEMOCRATIC LEADERS ASSERT THAT THE COMMUNISTS ARE EMBARKED UPON AN ALL-OR-NOTHING STRATEGY DESIGNED TO FORCE THE ESTABLISHMENT OF AN AUTHORITARIAN REGIME EITHER OF THE LEFT OR THE RIGHT. EANES SAYS HIS CONCLUSION IS BASED UPON INTELLIGENCE REPORTS. SOARES AND THE LEADERS OF THE OTHER DEMOCRATIC PARTIES HAVE THEIR OWN INDEPENDENT SOURCES OF INFORMATION ABOUT PCP ACTIVITIES. TO A MAN, THEY AGREE WITH THE PRESIDENT'S ASSESSMENT ALTHOUGH THEY ARE UNQUESTIONABLY ALSO INFLUENCED BY HIS VIEWS.

2. PCP UPS THE ANTE: THERE HAS BEEN A SHIFT IN THE PCP LINE IN RECENT WEEKS. PCP CALLS FOR A TRUCE WITH THE GOVERNMENT HAVE GIVEN WAY TO STRIDENT ATTACKS AGAINST THE SOARES ECONOMIC PROGRAM. ALTHOUGH PCP SPOKESMEN CONTINUE TO PAY LIP SERVICE TO THE NEED FOR SOCIALIST-COMMUNIST UNITY TO TURN BACK A "FASCIST RESURGENCE," THERE ARE SIGNS THAT THE COMMUNISTS HAVE GIVEN UP THEIR EFFORT TO REACH A RAPPROCHEMENT WITH THE SOCIALISTS. THE PCP HAS SIMULTANEOUSLY STEPPED UP THE TEMPO IN THE LABOR SECTOR. COMMUNIST-DOMINATED UNIONS HAVE LAUNCHED A SERIES OF DEMONSTRATIONS AND STRIKES. IMPLICIT IN THE PCP SHIFT IS A GREATER WILLINGNESS TO TAKE RISKS. BUT HOW MUCH RISK ARE THE COMMUNISTS PREPARED TO TAKE? AND TO WHAT END

3. THE KAMIKAZE OPTION: FOR THE PCP, AN ALL-OR-NOTHING STRATEGY WOULD HAVE APPEAL. EVEN IF IT FAILED IN THE PRIMARY OBJECTIVE OF ESTABLISHING A COMMUNIST DICTATORSHIP, THE

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SECONDARY OBJECTIVE OF FASTENING AN AUTHORITARIAN REGIME OF THE RIGHT ON THE COUNTRY WOULD BE ATTRACTIVE, PARTICULARLY TO THE MORE DOCTRINAIRE. A RETURN TO A RIGHT-WING DICTATORSHIP WOULD THROW OBSTACLES IN THE WAY OF PORTUGAL'S EFFORTS TO ENTER THE EUROPEAN MAINSTREAM. IT WOULD EMBARRASS THE U.S. THE DEMOCRATIC PARTIES WOULD BE WEAKENED. IT COULD EVEN COMPLICATE STEADY PROGRESS TOWARD LIBERALIZATION IN NEIGHBORING SPAIN. MORE THAN ONE COMMUNIST WATCHER HERE HAS POINTED OUT THAT CUNHAL AND THE PCP TOP ECHELON ARE MORE PSYCHOLOGICALLY COMFORTABLE OPERATING IN CLANDESTINITY THAN ENGAGING IN THE FREE GIVE AND TAKE OF OPEN POLITICAL ACTIVITY.

4. SUICIDAL CONSEQUENCES: THE CAPACITY OF THE PCP TO FORCE AN AUTHORITARIAN SOLUTION, HOWEVER, HAS GREATLY DIMINISHED SINCE THE HEADY DAYS OF MID-1975 WHEN TOTAL POWER SEEMED WITHIN CUNHAL'S GRASP. PCP ASSETS IN THE MILITARY HAVE

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C O N F I D E N T I A L SECTION 2 OF 2 LISBON 2069

SERIOUSLY ERODED DESPITE RECENT EFFORTS TO REVIVE THEM. PCP
STRENGTH IN THE LABOR MOVEMENT IS IMPRESSIVE BUT NOT
ABSOLUTE. MORE IMPORTANTLY, THE SECURITY FORCES ARE IN
MUCH BETTER SHAPE TO RESIST ANY PCP RUN AT POWER. THE
PRESIDENT AND THE PRIME MINISTER HAVE LET IT BE KNOWN THAT
THEY WOULD MEET FORCE WITH FORCE.

5. PREVENTIVE ALARMISM: THE WARNINGS FROM EANES AND THE
OTHER DEMOCRATIC LEADERS OF A BUILDING COMMUNIST OFFENSIVE
CANNOT BE TAKEN LIGHTLY. BUT THERE IS A NATURAL SUGGESTION
OF PREVENTIVE ALARMISM IN THE RESPONSE TO INCREASING
COMMUNIST PRESSURE BY PEOPLE WHO HAVE LIVED THROUGH THE
BITTER DAYS OF 1975. WE UNDERSTAND, FOR EXAMPLE THAT THE
FEB 5 TOUGH ANTI-COMMUNIST DECLARATION BY CENTRAL
MILITARY REGIONAL COMMANDER HUGO DOS SANTOS WAS DIRECTED
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BY THE PRESIDENT. SOARES'S RECENT PUBLIC STATEMENTS HAVE
BRISTLED WITH ALLEGATIONS OF COMMUNIST CONSPIRACY BUT ARE

SCANT ON SPECIFICS. PERSONALITIES COULD PLAY A ROLE AS WELL. THE PRESIDENT IS STRONGLY ANTI-COMMUNIST. HE IS KNOWN TO HAVE BEEN ANNOYED BY CUNHAL'S BRAGGADOCIO DURING THEIR MAR 4 ENCOUNTER. THE PRESIDENT NEGATIVE VISCERAL REACTION TO CUNHAL COULD BE A FACTOR INFLUENCING THE HARDENING OF ATTITUDES TOWARD THE COMMUNISTS. RECENT ACTIONS BY THE COMMUNISTS AS YET OFFER NO CONCLUSIVE EVIDENCE ABOUT PCP INTENTIONS. STEPPED UP PRSSURES AGAINST THE GOVERNMENT COULD SIGNAL AN ALL OUT OFFENSIVE, BUT THE TENTATIVE NATURE OF PCP ACTIONS AND CONTINUED PCV CALLS FOR DIALOGUE DO NOT LEND MUCH ADDITIONAL WEIGHT TO THE ALL-OR-NOTHING THESIS.

6. ANOTHER INTERPRETATION: THERE IS ANOTHER POSSIBLE EXPLANATION FOR THE RECENT PCP SHIFT. THE PARTY HAS GREATLY EXPANDED ITS MEMBERSHIP SINCE APRIL 1974. THERE ARE DIFFERENCES WITHIN THE RANKS. FOR THE PARTY TO CVNTINUE TO EXPAND ITS INFLUENCE IT MUST MAINTAIN ITS CCEDIBILITY AND HOLD OUT SOME PROSPECT FOR FUTURE GAINS. ALL OF THESE NEW RECRUITS ARJ NOT SUBJECT TO RIGID PARTY DISCIPLINE; OCCASIONAL "ADVENTURISTICZ ACTS WILL BE COMMITTED BY PCV MEMBERS AGAINST THE WISHES OF THE LEADER-SHIP. GIVEN THE SCANT PROSPECT OF RIDING TO POWER THROUGH PS-PCP UNITY, AND THE GRAVE RISKS IMPLICIT IN A SCORCHED EARGH POLICY, ANOTHER APPROACH IS REQUIRED. A TEMPORIZING STRATEGY EMPLOYING CONTROLLED PCV MUSCLE-FLEXING AND PURSUING MIDDLE-RANGE OBJECTIVES OF PROTECTING REMAINING PCP ASSETS, FORCING CONCESSIONS IN THE LABOR AND AGRARIAN SECTERS, AND THROWING OBSTACLES IN THE WAY OF ECONOMIC RECOVERY COULD BE THE ANSWER. ALL OF THE RECENT INCIDENTS--BOTH IN THE CIVIL AND MILITARY SECTORS--WHICH HAVE MARKED THE HARDENING PCP POSITION, COULD BE EXPLAINED IN THESE TERMS. IN ANY CASE, THE COMMUNISTS DEFINIELY SEEM INCLINED TO TAKE MORE RISKS BUT THE ODDS AGAINST SUCCESS OF A KAMIKAZE APPROACH ARE HIGH. THE DEMOCRATIC PARTIES WOULD BE PUSHED CLOSER TOGETHER AND THE RIGHT IS MORE WARY NOW OF PLAYING INTO PCP HANDS AFTER

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NUMEROUS PAST MISTAKES CUNHAL, HOWEVER, HAS MISCALCULATED HIS STRATEGY AND HIS STRENGTH BBFORE. AND UNDER GROWING PRESSURE FROM THE ULTRA LEFT, AND POSSIBLY THE USSR, HE COULD DO SO AGAIN.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INTELLIGENCE ASSESSMENTS, COMMUNISTS, POLITICAL PARTIES
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON02069
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X2
Errors: N/A
Expiration:
Film Number: D770089-1034
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770359/aaaabzsa.tel
Line Count: 215
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0c28f8b7-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 LISBON 1416, 77 LISBON 1751, 77 LISBON 1952
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3105995
Secure: OPEN
Status: NATIVE
Subject: PCP STRATEGY: AN ASSESSMENT
TAGS: PINT, PO, PCP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0c28f8b7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009